A MESSAGE FROM THE COMMISSIONER

It is my great honor to be Commissioner of the Social Security Administration. For more than 85 years, the agency has administered programs that affect nearly every American at some critical juncture in their life: when they reach retirement age, if they become disabled, or if they lose a loved one. In fiscal year (FY) 2022, our programs will provide a combined total of over $1.2 trillion in Social Security benefits and SSI payments to over 74 million beneficiaries. I take seriously our responsibility to pay those benefits timely and accurately.

The FY 2022 President's Budget will allow us to begin recovering from the coronavirus (COVID-19) pandemic disruptions, building on the lessons we learned to become a stronger and more responsive agency. The Budget will support our efforts to improve service and our customers' experience by reducing wait times and backlogs, supporting outreach to vulnerable populations who may be eligible for our programs, and investing in our information technology (IT) modernization efforts. It will also support our stewardship responsibilities by funding our cost-effective program integrity workloads.

The pandemic has significantly disrupted many of our workloads, most significantly at the State disability determination services (DDS) that make disability decisions on our behalf. We are increasing processing capacity to address the large backlog of initial disability claims that developed because of the pandemic, as well as the influx of claims we expect to receive through the end of FY 2022. In FYs 2021-2022, we plan to complete an estimated one million more disability claims, as compared to FY 2020. In FY 2022, we also plan to eliminate the disability hearings backlog. The hearings backlog is now at its lowest level in 20 years. Addressing our disability backlogs will ensure eligible individuals receive timely benefits.

We are working to help members of the public understand possible benefit eligibility and ensure convenient access to our services. During the pandemic, applications for benefits, particularly for Supplemental Security Income (SSI), have declined. Our budget request will allow us to work closely with other government agencies and third-party organizations in local communities to help us reach at-risk persons, including individuals facing homelessness, with low income, with limited English proficiency, or with mental illness.

The pandemic emphasized the importance of modern technology and online service options. We must build upon the significant progress we have made to date. Modernizing our IT is the key to making critical, lasting improvements in service. We are building additional online services, improving and expanding automated services through our National 800 Number, and providing additional self-service and expedited services at our field offices. These improvements will provide the public with additional service options that do not require them to visit a field office or call our National 800 Number. By providing more convenient online options for people who can use them, we can focus on the more complex cases and individuals who need in-person help.

In addition to improving service, we have an obligation to ensure that we are paying benefits to the right person in the right amount at the right time. During a critical time in pandemic, we

temporarily deferred certain workloads to preserve beneficiaries' payments and healthcare. Instead, we focused on initial benefit decisions and other frontline service workloads. As we emerge from the pandemic, we must balance our service and stewardship efforts. Our budget request will allow us to continue our cost-effective program integrity work.

I am grateful for the opportunity to submit a budget that will help us recover and rebuild while making our agency and programs even stronger and more efficient. Millions of Americans count on us every day. We appreciate your support. We look forward to working with the Congress on the FY 2022 President's Budget and providing the outstanding service that the public expects and deserves from us.

Respectfully,

Andrew Saul
Commissioner

Baltimore, Maryland
May 28, 2021

BUDGET HIGHLIGHTS

The Social Security Administration's (SSA) FY 2022 budget request is $14.189 billion. Major investments include[1]:

- ➢ Over $5 billion for payroll costs to fund the employees in our frontline operations, such as our field offices, National 800 Number, and processing centers. The Budget would increase staffing for frontline operations including State DDSs by over 6 percent. These employees will build upon our progress to improve critical areas, such as faster service on our National 800 Number, and help us reduce backlogs and wait times. Our total SSA payroll costs are nearly $8 billion to support our frontline operations, hearing operations, and strengthen critical positions, which include Information Systems Developers, Cybersecurity, Policy, Financial Professionals, and Actuaries who provide essential, robust analyses of the status of and changes to SSA-administered programs impacting the lives of most Americans, including the most vulnerable.

- ➢ Over $2.7 billion for current staff, additional hiring, and other expenses for the State DDSs to make our disability determinations. This amount includes funding for 1,300 additional employees we are hiring in FY 2021, an increase of about 10 percent. We will maintain the increased staffing levels in FY 2022 to help address a large increase in pending initial disability cases that occurred because of the pandemic, as well as an influx of new applications we expect to receive through the end of FY 2022. Once trained, these employees will help us process significantly more claims than we do now.

- ➢ Over $1.1 billion for payroll costs to fund the employees in our hearings operations. We will eliminate the hearings backlog in FY 2022 and position ourselves to handle a large volume of DDS cases that may be appealed to the hearings level in FY 2023.

- ➢ More than $2.1 billion for IT services funding to help us maintain and continue modernizing our large IT infrastructure, as well as increase our digital and automated services. Our *IT Modernization Plan (2020 Update)* focuses on replacing our older legacy systems and technologies and infrastructure they rely on with updated technology that will make service faster, easier, and more customer-focused.

- ➢ $96 million in outreach to ensure that SSI benefits reach the most vulnerable eligible individuals, including homeless individuals, children with disabilities, and those with mental and intellectual disabilities. Of the $96 million total, $75 million is additional funding in FY 2022.

- ➢ Over $1.7 billion for dedicated program integrity work, which will allow us to complete our cost-effective program integrity reviews and continue to expand our highly successful anti-fraud cooperative disability investigations (CDI) program to all States and U.S. territories.

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[1] The numbers above are not additive to the budget total. In addition, some costs are associated with more than one category.

PROGRAMS AND BUDGETS

Our budget request will fund the administrative expenses of our three major programs: Old-Age and Survivors Insurance (OASI), Disability Insurance (DI), and SSI in addition to other administrative expenses.

OASI: Established in 1935, the OASI program is one of the Nation's most successful government programs, one that is part of nearly every American's life. The OASI program provides retirement and survivors benefits to qualified workers and their family members.

DI: Established in 1956, the DI program provides benefits for workers who become disabled, and their families.

SSI: Established in 1972, the SSI program provides financial support to aged, blind, and disabled adults and children who have limited income and resources.

In addition, we support national programs administered by other Federal and State agencies, as required by law, such as Medicare, Employee Retirement Income Security Act of 1974, Coal Act, Supplemental Nutrition Assistance Program, Help America Vote Act, State Children's Health Insurance Program, E-Verify, Medicaid, and Federal Benefits for Veterans.

Figure 1: Benefit Payments and Beneficiaries by Program, FYs 2020-2022

Benefit Payments by Program (Outlays in Millions)	FY 2020 Actual	FY 2021 Estimate	FY 2022 President's Budget
OASI	940,205	984,682	1,038,802
DI	144,007	144,374	150,319
SSI Federal[1]	56,366	56,119	62,658
SSI State Supplementary Benefits	2,536	2,565	2,760
Total[2,3]	**$1,143,115**	**$1,187,741**	**$1,254,539**

| Beneficiaries by Program (in Thousands)	FY 2020 Actual	FY 2021 Estimate	FY 2022 President's Budget
OASI	54,463	55,467	56,560
DI	9,882	9,657	9,685
SSI Federal Recipients	7,911	7,789	7,891
SSI State Supplementary Recipients (with no Federal SSI payment)	146	143	148
Total[3,4]	**72,402**	**73,055**	**74,283**

[1]There will be 13 monthly benefit payments in FY 2022.
[2] Benefit payment totals include $1 million for the Special Benefits for Certain World War II Veterans program, which is not broken out separately.
[3]Totals may not add due to rounding.
[4] Beneficiary totals include approximately 2.7 million concurrent recipients who receive SSI as well as OASI or DI.

Figure 2: Benefits and Administrative Budget by Program

While OASI accounts for over 80 percent of program benefits we pay, the DI and SSI programs account for more than 50 percent of our main administrative budget, the Limitation on Administrative Expenses (LAE) account.
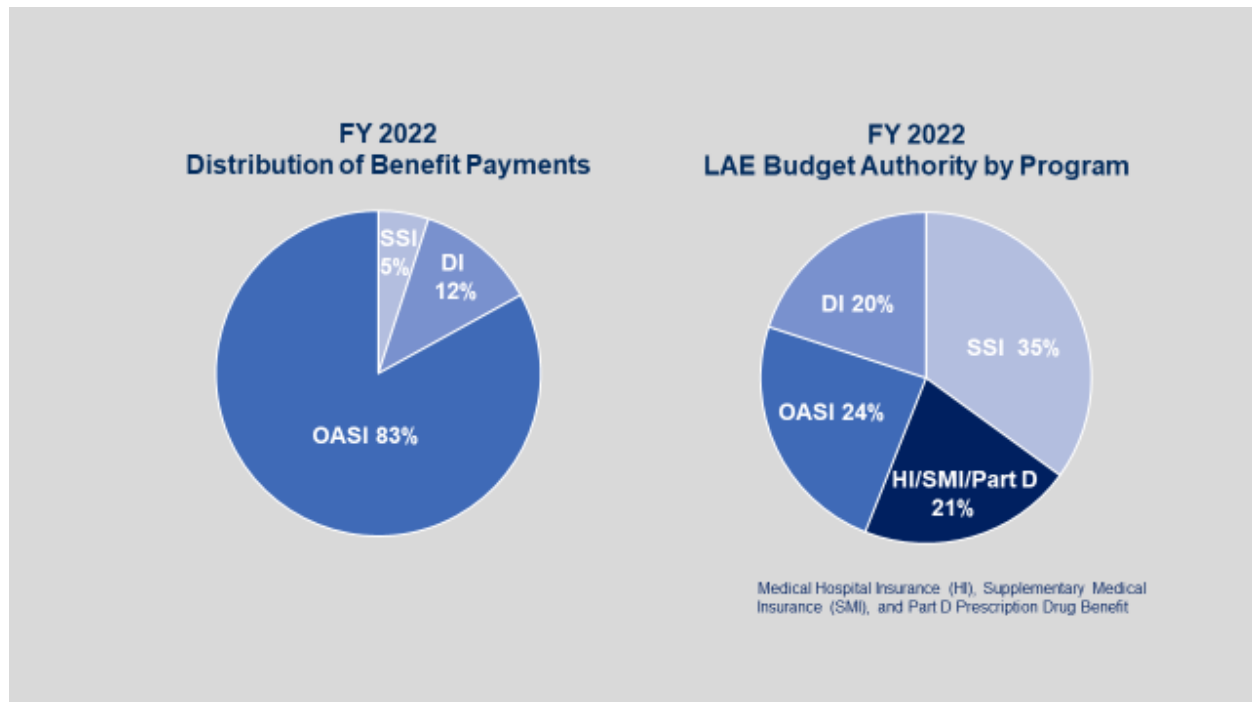

LAE Budget

The major parts of the LAE budget are:

 ➢ Salaries and benefits for our approximately 61,000 employees. About 90 percent of our employees provide direct service to the public;

 ➢ DDS costs, which include payroll for the State DDS agencies and payments for medical evidence records and consultative examinations (CE);

 ➢ Information Technology Systems (ITS) costs, including cybersecurity, IT modernization efforts, and our large IT infrastructure such as our telecommunications network; and

 ➢ Other Objects costs, which are the non-payroll costs such as postage, supplies, training, medical consultant costs, and rent and guards for our over 1,500 offices across the country and around the world that are necessary to support our employees and the service we provide to the public.

Figure 3: LAE Budget by Major Funding Category

Salaries and benefits account for more than 50 percent of the LAE Budget. The next highest category is DDS costs, which includes salaries and benefits for State DDS employees. The third highest category is Other Objects, which includes the rent category that we broke out separately. The last category, ITS, accounts for more than 10 percent of our budget, most of which is required to maintain our IT infrastructure and telecommunications network.
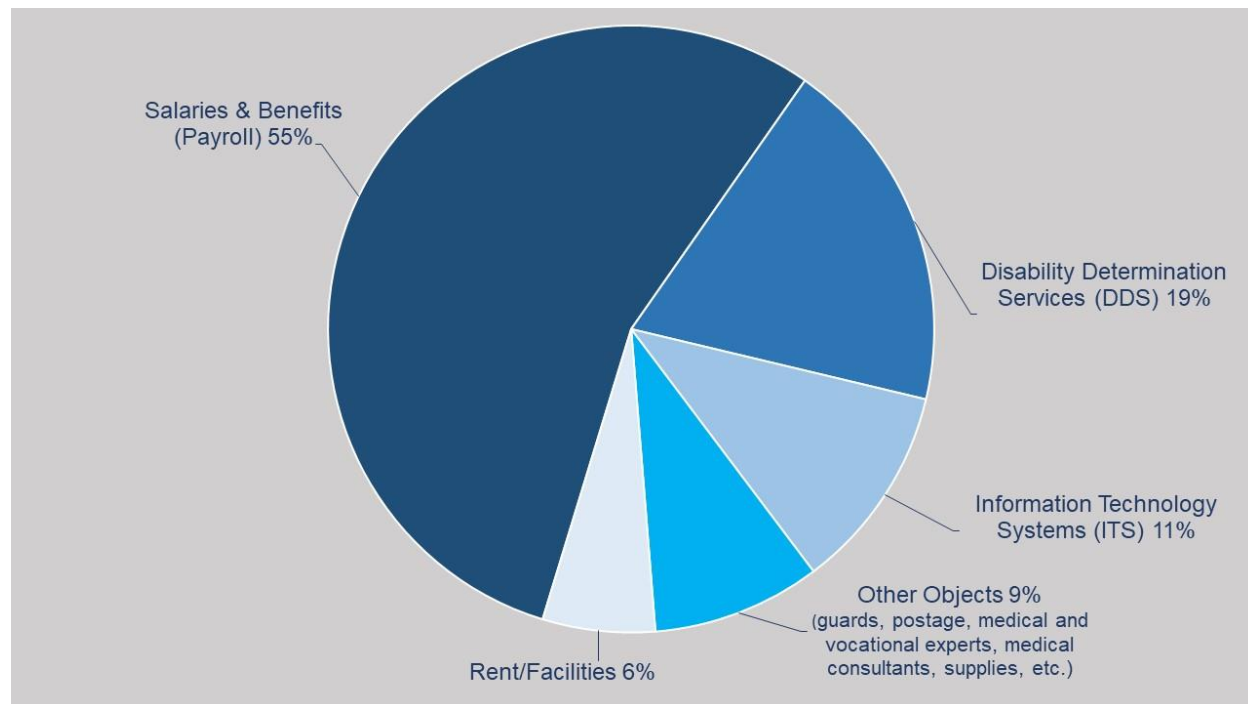
SSA's LAE Responsibilities

In addition to serving the public in our field offices, online, and on our National 800 Number, our ongoing operational responsibilities include:

Claims and Evaluating Eligibility: We take claims, evaluate evidence, determine benefit eligibility and amounts, and pay benefits. Our claims workloads, including Medicare, account for over one-third of our administrative budget.

Medicare: We accept applications and determine eligibility for Medicare Hospital Insurance, Supplementary Medical Insurance, and the low-income subsidy for Medicare prescription drug coverage.

Appeals: We have three levels of administrative appeal for claimants who disagree with our initial disability decisions:

  ➢ Reconsideration (a complete review of the claim by an employee who did not take part in the initial decision);

> ➢ Hearing before an administrative law judge (ALJ); and

> ➢ Review of the ALJ's decision by our Appeals Council.

These appeals are non-adversarial, and claimants may submit new evidence for review. If a claimant disagrees with the Appeals Council's decision, or if the Appeals Council decides not to review the case, a claimant may file a civil action in a United States District Court. Our appeals workloads account for approximately 25 percent of our administrative budget.

Program Integrity (PI): Our duty to safeguard the integrity of our programs includes reviewing current beneficiary and recipient eligibility factors to determine continuing eligibility. Conducting full medical continuing disability reviews (CDR) and non-medical SSI redeterminations ensure that only those people eligible for benefits continue to receive them. Our PI workloads account for about 10 percent of our administrative budget.

The Budget includes $1.708 billion in dedicated funding for program integrity (PI) activities, including a $1.435 billion allocation adjustment. This is a $150 million decrease from the Discretionary Request for PI released on April 9, 2021. Our LAE topline remains unchanged, and using PI carryover allows us to devote more resources to improve frontline services while maintaining our commitment to completing PI work. We are using $150 million of unanticipated carryover resulting from COVID related impacts to support the same level of PI activities in the Discretionary Request.

Social Security Numbers (SSN): We take applications for and assign SSNs to nearly all Americans and certain non-citizens. We update our records when information changes, such as changing a maiden name to a married name. We also replace lost or missing cards.

Earnings Records: We use workers' earnings records to compute OASI and DI benefit payments. We receive regular updates on workers' earnings from employers and the self-employed. We post the reported earnings to workers' records and resolve any discrepancies.

Social Security Statements: We show workers their earnings and estimates of future benefits based on those earnings. The quickest way for individuals to access their Social Security Statements at any time is through secure, personal, online *my* Social Security accounts. We mail paper Social Security Statements to people age 60 and over who are not receiving Social Security benefits and who are not registered for a *my* Social Security account.

Post-Entitlement Services: We complete over 100 million post-entitlement actions each year for beneficiaries and recipients, such as issuing benefit and emergency payments, recomputing payment amounts, changing addresses, and determining and collecting debt. Our post-entitlement workloads account for approximately 15 percent of our administrative budget.

Data Exchanges: Our data exchanges improve organizational effectiveness and reduce costs by providing reliable data to determine benefits and improve administrative processes, which in turn reduces improper payments. For our data exchange agreements, we ensure we meet exchange criteria, handle any fees, and provide and verify data for many purposes, such as employment and eligibility for Federal and State programs.

SSA's Research Budget

The FY 2022 funding request for research is $86 million, equal to FY 2021. As in previous years, the Budget will fund continued data development and dissemination, modeling efforts, administrative research, and retirement and disability policy research to better serve the public. We are also interested in working with Congress to extend Section 234 authority in order to provide sufficient time to conduct new and ongoing demonstrations.

Office of the Inspector General (OIG)

The FY 2022 funding request for the OIG is $112 million, an increase of $6.5 million over the FY 2021 enacted level. The Budget includes a transfer of $12.1 million, a $0.9 million increase from FY 2021, from the program integrity transfer from SSA to the OIG for the cost of jointly operated CDI units.

The OIG will continue efforts to promote economy, efficiency, and effectiveness in the administration of our programs and operations; and prevent and detect fraud, waste, abuse, and mismanagement in such programs and operations. To that end, the OIG conducts and supervises a comprehensive program of audits, evaluations, and investigations; searches for and reports on systemic weakness in our programs and operations; and recommends program, operations, and management improvements.

Provide Universal Paid Family and Medical Leave

The Budget proposes to create a national comprehensive paid family and medical leave program that will phase in up to 12 weeks of paid parental, family, and personal illness/safe leave by year 10 of the program, and will provide 3 days of bereavement leave per year. The Budget estimates the program will cost $225 billion over 10 years.

FY 2022 FUNDING TABLE

	FY 2020 Actual[1]	FY 2021 Estimate[2]	FY 2022 President's Budget
Budget Authority (in millions)			
Limitation on Administrative Expenses (LAE)[3]	$12,871	$12,931	$14,189
(Dedicated Program Integrity, Base and Adjustment, included in LAE)	($1,582)	($1,575)	($1,708)
Research and Demonstrations[4]	$101	$86	$86
Office of the Inspector General (OIG)[5]	$106	$106	$112
Total, Budget Authority	**$13,077**	**$13,122**	**$14,387**
Other Budgetary Resources (in millions) COVID-19 Pandemic – Workload Processing[6]	$300	$0	$0
COVID-19 Pandemic – Economic Impact Payments (administrative costs)[6]	$38	$38	$0
Total, Budgetary Resources[7]	**$13,415**	**$13,160**	**$14,387**
Workyears (WY)[8] Social Security Administration (SSA)			
Full-Time Equivalents	59,574	59,498	60,729
Overtime	1,801	1,155	1,800
Lump Sum	178	252	250
Total SSA WY	**61,553**	**60,905**	**62,779**
Disability Determination Services (DDS)	13,028	14,140	15,532
Total SSA/DDS WY	**74,581**	**75,045**	**78,311**
OIG	523	518	542
Total SSA/DDS/OIG WY	**75,104**	**75,563**	**78,853**

[1] P.L. 116-94 – Further Consolidated Appropriations Act, 2020, provided $100 million in dedicated funding to address the hearings backlog and $45 million in dedicated funding for IT Modernization.

[2] P.L. 116-260 – Consolidated Appropriations Act, 2021, provided $50 million in dedicated funding to address the hearings backlog and $45 million in dedicated funding for IT Modernization.

[3] FY 2020 program integrity funding was available for 18 months (through March 31, 2021) by P.L. 116-94. FY 2021 Program integrity funding is available for 18 months (through March 31, 2022) by P.L. 116-260. The Budget assumes 18-month authority to obligate dedicated program integrity funds in FY 2022.

[4] Congress appropriated $101 million in FY 2020 (available through September 30, 2022) and $86 million in FY 2021 (available through September 30, 2023) for research and demonstration projects. The Budget proposes $86 million in FY 2022 (available through September 30, 2024) for research and demonstration projects.

[5] P.L. 116-94 allows SSA to transfer up to $10 million of program integrity funds from the LAE account to the OIG for the costs associated with jointly operated CDI units in FY 2020. P.L. 116-260 allows SSA to transfer up to $11.2 million in FY 2021. The Budget continues this transfer in FY 2022 at a level of up to $12.1 million.

[6] The Coronavirus Aid, Relief, and Economic Security (CARES) Act (P.L. 116-136) provided $300 million in funding, available through September 30, 2021, to prevent, prepare for, and respond to the coronavirus pandemic, including paying the salaries and benefits of all employees affected as a result of office closures, telework, phone and communication services for employees, overtime costs, supplies, and for resources necessary for processing disability and retirement workloads and backlogs. It also provided $38 million for administrative costs related to assisting the Department of Treasury/Internal Revenue Service in coordinating a public awareness campaign and administering economic impact payments (EIPs) to most individuals. The Consolidated Appropriations Act, 2021, provided an additional $38 million in funding, available through September 30, 2021, for administrative costs related to assisting the Department of Treasury/Internal Revenue Service in coordinating a public awareness campaign and administering a second round of EIPs first authorized under the CARES Act. This funding is not reflected in the LAE. For more information on this supplemental funding, please see the COVID-19 exhibit in the LAE section of our Congressional Justification.

[7] Numbers may not add due to rounding.

[8] A workyear (WY) is a measure of time spent doing work or being paid for some element of time (e.g., leave). It is the equivalent of one person working for one year (2,080 hours) and may consist of regular hours, overtime, or lump sum leave, which is payment for unused annual leave upon leaving the agency. WYs include time spent in full-time or part-time employment. Full-time equivalents and overtime WYs include those funded from dedicated funding to reduce the hearings backlog, dedicated funding for IT modernization, and dedicated funding for program integrity. In addition, the WYs include those funded for the Medicare Low-Income Subsidy Program.

FY 2022 PERFORMANCE TABLE

Workload and Outcome Measures	FY 2020 Actual[1]	FY 2021 Estimate[2]	FY 2022 President's Budget
Retirement and Survivor Claims			
Retirement and Survivor Claims Completed (thousands)	6,120	6,243	6,486
Disability Claims			
Initial Disability Claims Receipts (thousands)[3]	2,213	2,491	3,111
Initial Disability Claims Completed (thousands)	2,037	2,333	2,757
Initial Disability Claims Pending (thousands)[3]	764	921	1,275
Average Processing Time for Initial Disability Claims (days)[4]	131	171	149
Disability Reconsiderations			
Disability Reconsiderations Receipts (thousands)[5]	568	685	814
Disability Reconsiderations Completed (thousands)	553	601	761
Disability Reconsiderations Pending (thousands)	144	228	280
Average Processing Time for Disability Reconsiderations (days)[4]	122	152	133
Hearings			
Hearings Receipts (thousands)[5]	429	417	545
Hearings Completed (thousands)	586	465	594
Hearings Pending (thousands)	418	370	321
Annual Average Processing Time for Hearings Decisions (days)[6]	386	310	270
National 800 Number			
National 800 Number Calls Handled (millions)	34	36	36
Average Speed of Answer (ASA) (minutes)	16	15	12
Agent Busy Rate (percent)	7%	2%	1%
Program Integrity			
Periodic Continuing Disability Reviews (CDR) Completed (thousands)	1,493	1,595	1,771
Full Medical CDRs (included above, thousands)	463	495	671
SSI Non-Medical Redeterminations Completed (thousands)	2,153	2,360	2,900
Selected Other Agency Workload Measures			
Social Security Numbers Completed (millions)	13	13	19
Annual Earnings Items Completed (millions)	289	284	267
Social Security Statements Issued (millions)[7]	19	15	15
Selected Production Workload Measures			
Disability Determination Services Production per Workyear	255	264	293
Office of Hearings Operations Production per Workyear	93	80	103
Other Work/Service in Support of the Public – Annual Growth of Backlog (workyears)	N/A	(800)	(400)

[1] In response to the COVID-19 pandemic, beginning mid-March 2020, we took steps to protect the public and our employees. We encouraged online, automated, and telephone services, limited in-person service in field offices, and temporarily suspended certain actions that would normally result in a reduction, suspension, or termination of Social Security or SSI benefits. By the end of FY 2020, we resumed processing most suspended workloads.

[2] FY 2021 estimates generally align with the targets in our FY 2021 Operating Plan. However, some estimates have changed due to updated receipt projections from our Office of the Chief Actuary, which affect multiple workloads. We have also updated our estimate of SSI Redeterminations completed in FY 2021.

[3] The estimates for disability claims receipts and claims pending are highly variable due to uncertainties surrounding the impact of COVID-19 on potential claimants. Claims pending are also variable due to SSA's operational challenges in rapidly changing pandemic conditions. Disability claims receipts estimates are point-in-time reflecting data, assumptions, and law as of February 2021, and do not consider the impact of the American Rescue Plan Act of 2021, which was enacted in March 2021.

[4] In FY 2021, the pandemic continues to impact our ability to make timely disability determinations. Average processing times for our disability claims and appeals workloads is dependent on the ability to obtain timely evidence and effectively schedule CEs. Delays in obtaining medical evidence could have an impact on the overall wait time in our disability workload.

[5] In March 2020, we completed our two-year rollout to reinstate the reconsideration level of appeal in the 10 prototype States. As a result, we have instituted a more unified, consistent administrative review process across the country. FY 2021 is the first full year of nationwide implementation. While reinstating the reconsideration step has increased the annual number of reconsiderations we receive and process, it has also reduced the number of claimants who would otherwise be waiting for a hearing decision by an ALJ.

[6] Average processing time for hearings is an annual figure. We estimate end of year (September) processing time for hearings to be 305 days and 250 days for FYs 2021 and 2022, respectively.

[7] The Social Security Statements Issued measure includes paper statements only. It does not include electronic statements issued. In FY 2020, *my* Social Security users accessed their Social Security Statements 64 million times. In FY 2020, we spent approximately $9.7 million to send statements to people aged 60 and over who were not receiving Social Security benefits. Consistent with FY 2020, in FY 2021 and FY 2022, we will send paper statements to people aged 60 and older who are not receiving Social Security benefits and who are not registered for a *my* Social Security account, at a cost of approximately $7.9 million in FY 2021 and $8.5 million in FY 2022. As requested in House Report 116-450, it would cost approximately an additional $81 million in FY 2022 to send statements to individuals aged 25 and older who are not receiving Social Security benefits.

SUMMARY: *IMPROVING CUSTOMER EXPERIENCE*

Improving the customer experience is our top priority. The Budget focuses on our frontline staff so that they can better serve the public, reduce backlogs of work, and improve wait times. We are also investing in digital and automated services so that our customers who can access our services online do not need to come into the office.

Addressing the Initial Disability Claims Backlog

We intake disability claims through our field offices in-person, by phone, by mail, or online. Once the field office makes a non-medical eligibility determination, it transmits the disability application to the State DDS, which develops medical evidence and makes a medical determination on whether or not a claimant is disabled or blind under the law. If evidence from the claimant's own medical sources is unavailable or insufficient to make a determination, the DDS arranges for a CE to obtain additional information. After the DDS makes the initial disability determination, it returns the case to the field office for adjudication. If the DDS determines the claimant is disabled, the field office completes any outstanding non-disability development and processes the case to begin monthly benefits. If the DDS determines the claimant not disabled, the field office processes a benefit denial and holds the file for possible appeal.

Disruptions due to the pandemic caused a backlog of initial disability cases. Between September 2019 and April 2021, the backlog grew by approximately 115,000 cases. While applications for benefits were lower than we projected prior to the pandemic, our pending level of cases rose significantly because we were not able to complete as many cases. It was difficult to complete disability cases due to a reduced number of medical providers to conduct CEs, an inability to reach individuals by phone, and a lag in receiving mailed documents. These factors, along with the operating adjustments made to safely serve the public, reduced our ability to complete our workloads and contributed to increased backlogs and wait times.

We must work down this backlog while also handling an increase in disability applications that we project to see in the second half of FY 2021 and in FY 2022. We received nearly 190,000 fewer applications in FY 2020 than we expected. We expect many of these individuals to apply for benefits as we emerge from the pandemic. During the pandemic, some people may have been isolated from the community groups who would normally assist them and provide them with information about our programs. We are conducting outreach to reach these vulnerable communities who may be eligible.

In FY 2021, we are replacing DDS staff losses and providing an additional 1,300 hires to position the DDSs to address the disability claims backlog and a potential spike in claims. The Budget will support maintaining these new hires in FY 2022 and fund increased overtime for a total FY 2022 increase of nearly 1,400 workyears or 10 percent, allowing us to significantly increase our capacity to process disability claims. Compared to FY 2020, we plan to complete nearly 300,000 more claims in FY 2021 and over 700,000 more claims in FY 2022. However, the backlog will continue to grow until we work through the influx of initial claims, which will require a multi-year effort.

In addition to providing the DDSs with more funding, we continue to implement the common, national disability case processing system (DCPS2) across all State DDSs, which will improve efficiency, timeliness, and accuracy of decisions.

Figure 4: Initial Disability Claims Receipts and Completed, FYs 2012-2022
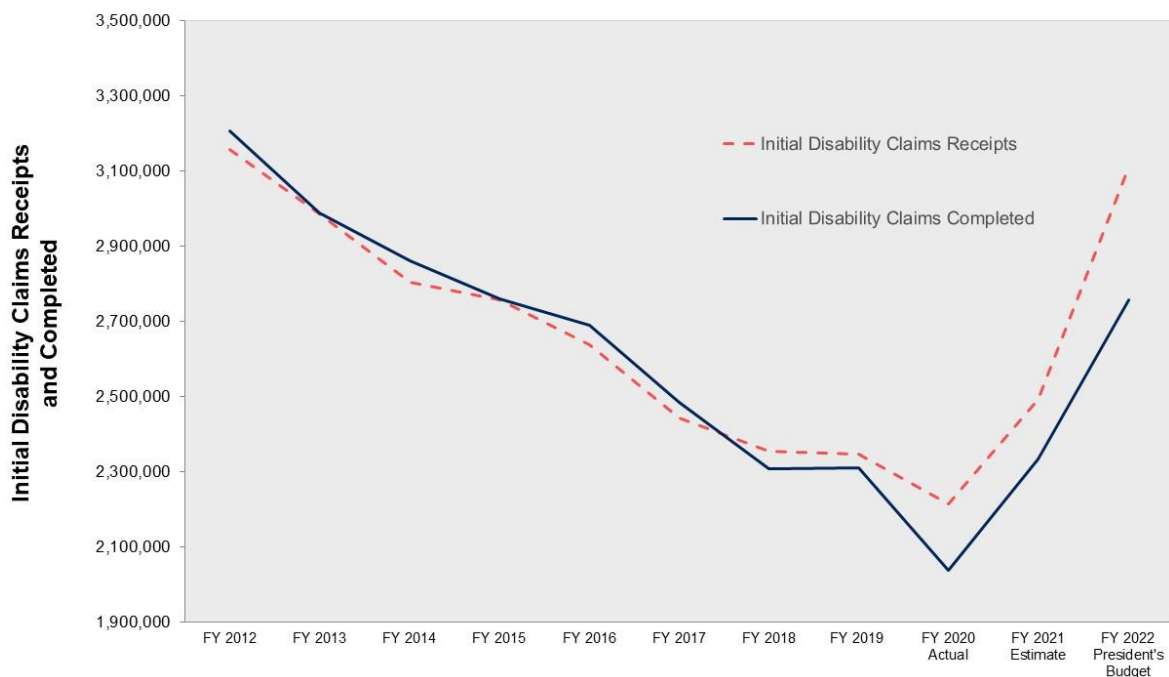
## *Eliminating the Disability Hearings Backlog*

Due to the pandemic, we will not achieve our FY 2021 goal of eliminating the hearings backlog. While we have not held in-person hearings during the pandemic, we have offered telephone and video hearings to claimants and representatives; however, not all of them have accepted, which slowed our progress. We plan to eliminate the disability hearings backlog in FY 2022, which will be a major achievement for our agency. For far too long, disability applicants have had to wait over a year to receive decisions on their appeals. In FY 2016, we began implementing our Compassionate And REsponsive Service plan to reduce the backlog of cases. With Congress' support and the hard work of our employees, we have dramatically improved service. From September 2017 through April 2021, we have reduced the average monthly wait time for a hearing by 310 days.

Transitioning to telephone hearings as our only modality for hearings during the pandemic allowed us to continue to make progress. At the start of the pandemic, we quickly launched functionality to remotely record, monitor, and hold hearings, which allowed us to continue service to the public while keeping the public and our employees safe. By the end of FY 2020, we began rolling out the Microsoft (MS) Teams platform to conduct video hearings remotely, allowing applicants and their representatives to participate from any private location where they have access to a camera-enabled smart phone, tablet, or computer.

We expect to reduce the average annual wait time to 270 days by the end of FY 2022. Once we eliminate the hearings backlog, we cannot let it recur. Hearings are the most expensive part of the disability process. We must ensure that we make fair, policy-compliant disability decisions supported by the most efficient, modern business processes. Since the DDSs will be processing increased volumes of initial claims and reconsiderations, we are preparing for an influx of hearings requests and are addressing the workloads affected as we eliminate the hearings backlog, such as an increase in requests for Appeals Council review and civil action court filings. We plan to hire ALJs by the end of FY 2022 to ensure we have adequate resources in our hearings operations. We are closely monitoring the impact of additional disability applications on our appeals process to avoid creating new backlogs.

To improve case processing, decisional quality, and efficiency, we are building a modern case processing system, the Hearings and Appeals Case Processing System (HACPS), for hearings and appeals level cases.

Figure 5: Hearings Wait Times, FYs 2012-2022
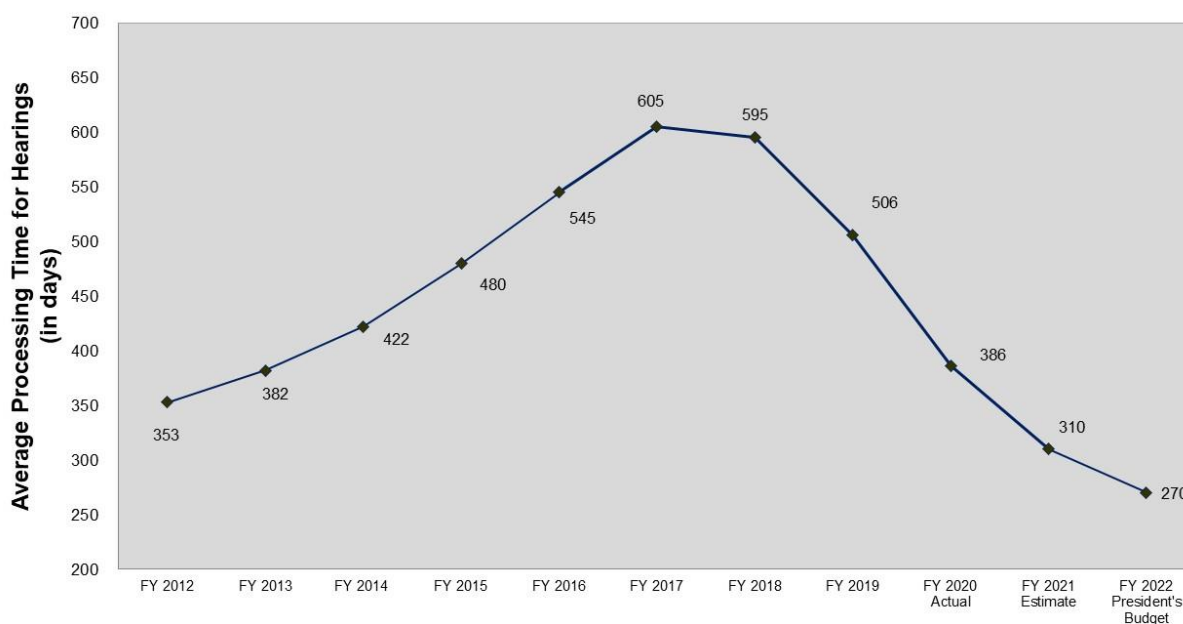
Enhancing Online Services at my Social Security

The pandemic has highlighted the importance of digital services, and we continue to add and improve our services available online. In FY 2020, the public completed about 221 million successful online transactions, up from 184 million in FY 2019. Our *my* Social Security online portal provides a convenient, safe, and user-friendly option for people to conduct business with us or view their Social Security records from various devices. It offers a broad range of services including changing address, changing direct deposit information, accessing personal retirement benefit estimates, requesting a replacement SSN card, and obtaining certain Social Security notices electronically. Since we implemented *my* Social Security, we have registered over 57 million users. In May 2021, we successfully launched the redesigned Social Security

Statement in a controlled rollout to 500,000 random *my* Social Security account users who are not currently receiving benefits. We are using this initial rollout to review and evaluate the feedback from both our usability and cognitive testing, as well as additional feedback we receive through this soft rollout. We expect the full release of the Statement in fall 2021 will include additional updates based on the feedback we receive during the initial rollout.

We are redesigning our website to improve customer experience. In FY 2021, we implemented a *beta* site for ssa.gov that includes streamlined content and a redesigned home page and web template. We will utilize customer feedback solicited from online surveys and focus groups to make appropriate adjustments to the *beta* site. We expect to increase the customer satisfaction score for the redesigned test site by two points compared to the ssa.gov satisfaction score for the prior year. In FY 2022, we plan to transition the final redesigned ssa.gov website into production.

Prior to the pandemic, nearly 30 percent of people coming into our offices did so for a Social Security Number (SSN) card. Replacement cards for U.S. citizens are by far the largest part of SSN-related work in field offices, with more than half of those cards requiring no change to the SSN record—all for purposes unrelated to the administration of our programs.

While often individuals only need the SSN not the card, for those who do, we are continuing to expand the internet SSN Replacement Card (iSSNRC) application to additional States so that members of the public do not need to visit an office for this service. In FY 2020, we processed over 2 million replacement cards through iSSNRC, and we are on track to handle even more through iSSNRC this year. The iSSNRC application is now available to residents of 45 States and the District of Columbia (DC). We are working with the remaining States that need legislative changes, systems changes, or additional testing prior to using iSSNRC, or face other challenges that need to be addressed first, such as disruptions caused by the COVID-19 pandemic. For individuals who are unable to use iSSNRC, we have tested using the MS Teams platform to take the SSN card application via video, and verifying identity information on the driver's license with the State Department of Motor Vehicles in the 45 States and DC, which have implemented iSSNRC. We will expand this initiative dependent upon resolving our labor obligations.

Figure 7: iSSNRC Coverage Map

Improving National 800 Number Service

Our National 800 Number offers a wide variety of services including:

➢ Answering a broad range of Social Security and Medicare questions;

➢ Scheduling appointments in our field offices;

➢ Providing status updates on current claims or appeals; and

➢ Ensuring the accuracy of our records.

Millions of our customers depend on our National 800 Number technicians to answer important questions. Our telephone service has been especially critical during the pandemic. Our National 800 Number Citizen Access Routing Enterprise platform requires specialized equipment to enable agents to work remotely. We worked aggressively to procure equipment and overcome supply chain issues to obtain additional hardware our employees needed to serve the public remotely. We also engineered a solution that allowed us to transfer National 800 Number calls

to softphones installed on the laptops of our agents. As a result, within the first 10 days of maximizing telework, we were able to fully reestablish our National 800 Number service.

In FY 2021, we expect our agents to handle over 36 million calls, including about 5 million calls handled through our automated self-service options. We have been steadily improving wait times, busy rates, and overall service through targeted hiring, revising training methods, and advancing automated services. By the end of FY 2022, we expect to reduce average wait times to 12 minutes. We also plan to reduce the average busy rate to 1 percent.

We are implementing our Next Generation Telephony Project (NGTP) to improve our telephone service across the agency. NGTP will replace our three current telephone systems with a single platform to improve service while integrating modernized telecommunications technology. We expect the single platform phone system will operate more efficiently than our current platforms. NGTP will provide callers with additional information and options to improve their experience, including providing expected wait times and scheduled callbacks, which will reduce the wait to speak with an agent. It will also include automated options for inquiries regarding Medicare replacement cards, 1099s, and claim status. Additionally, NGTP will help us to streamline and enhance our training for new hires, which will allow our employees to begin handling calls earlier. We have developed a robust program for measuring performance and communicating expectations, which NGTP will support. We plan to transition to the new system within the next year and then incorporate new features.

Figure 6: National 800 Number Wait Times, FYs 2012-FY 2022
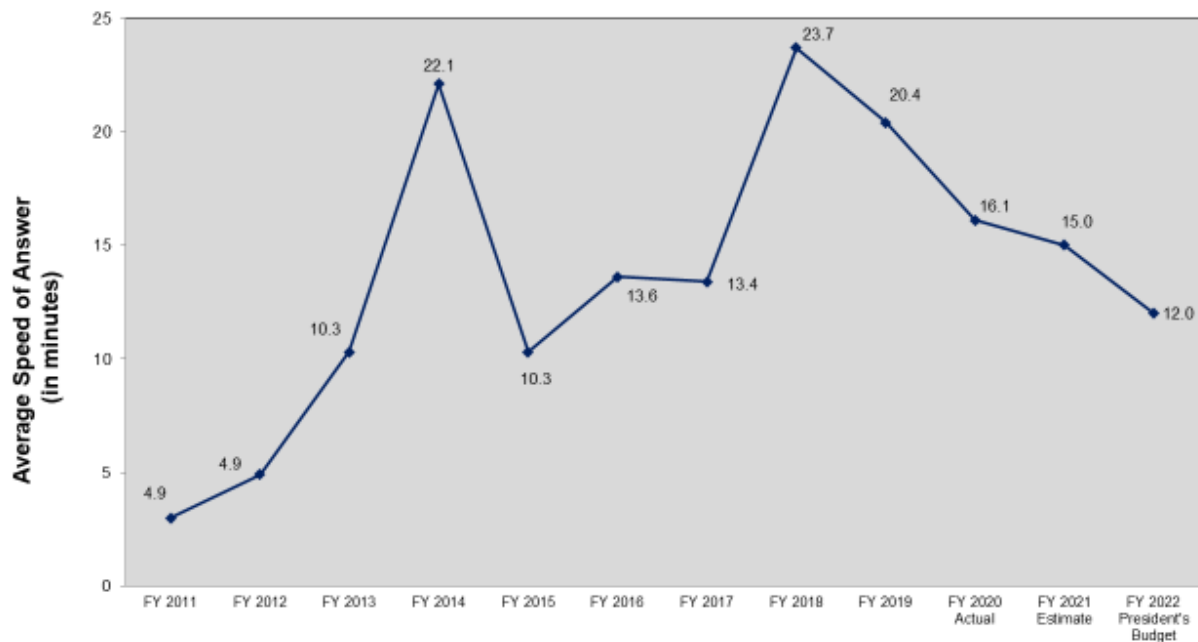
Strengthening Service in Our Field Offices

Our field offices provide a broad range of services to millions of people. Our customer service representatives:

 ➢ Handle benefit claims and appeals;

 ➢ Process applications for Social Security cards;

 ➢ Enroll people in Medicare;

 ➢ Address other needs and questions from visitors; and

 ➢ Play a critical role in our stewardship responsibilities by redetermining eligibility for SSI benefits and initiating CDRs.

Prior to the pandemic, we served over 40 million visitors each year in our approximately 1,200 field offices nationwide. At the beginning of the pandemic, we let the public know we were still open for business via phone, online, or for limited critical services in-office. We focused on making more of our work portable. In March 2020, we made the unprecedented decision to direct employees to work from home and limit in-person services to limited critical situations by appointment only, which allowed us to implement physical distancing. This decision presented a significant change to shift nearly all Operations employees to a remote work environment.

By early April 2020, we successfully redeployed over 90 percent of our Operations' employees to remote work. During this period, all of our offices continued to provide ongoing service to the public by phone. We have a small number of employees, most of them managers, onsite to handle non-portable work and critical in-office interviews. This operational change is in accordance with our Workplace Safety Plan. We are committed to keeping both the public and our employees safe while maintaining service. We will continue to follow government-wide operational guidelines.

Improving service in our field offices also remains a priority. The Budget invests in our frontline staff so that we have enough people to serve our customers. The Budget also invests in IT modernization to provide employees user-friendly systems and tools to better serve the public, and convenient digital and automated services so that our customers don't need to visit a field office. We are improving the customer experience in our field offices by implementing business process improvements. For example, we deployed a mobile check-in application this year so that people who have appointments can check in more easily.

Reducing Processing Center Backlogs

Our PCs handle the most complex benefit payment decisions. In addition, the PCs:

➢ Issue benefit payment after appeals decisions;

➢ Determine and collect debt;

➢ Correct records; and

➢ Perform program integrity work.

The PCs remain focused on reducing the backlog of pending actions. The PCs had to rework approximately 130,000 complex and time-consuming cases based on the outcome of the court case, *Steigerwald v. Berryhill.*[1] We completed initial work on all cases in January 2021. Roughly 71,000 cases await final processing as we await a final ruling on an attorney fee and class member payment issue. Based on the decision, our PC technicians will begin final processing of those cases promptly. We also have a small volume of reconsideration requests that our PCs must handle.

In March 2021, we completed a multi-phase program debt write off project to analyze debt we determined to be delinquent and uncollectible for potential termination of collection. By terminating collection activity on uncollectible debts, we are better reflecting current receivables on our financial statements. We have permanently removed over 400,000 actions from the PC backlog. This action moved these debts to the next stage in the debt collection process - while we terminated active collection efforts, the debt will remain on the individual's agency record for future collection, where appropriate and applicable. If eligible, we will refer these delinquent debts to the Treasury Offset Program for external collection action.

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[1] In the *Steigerwald v. Berryhill* class action suit, a Federal court ruled that we did not properly account for representatives' fees when calculating past-due benefit payments to individuals who were awarded both OASDI and SSI.

In FY 2021, we are maintaining staff levels in the PCs and instituting workflow enhancements and quality initiatives to improve overall performance. In FY 2022, we plan to reduce the number of manual actions required by PC technicians and improve payment timeliness through automation. In FY 2022, we plan to reduce the PC backlog from 4.2 million actions to 4.14 million actions.

Advancing Equity in Our Programs

We have always been committed to promoting diversity, inclusion, fairness, and equity to all Americans, both in running the agency and administering our programs. The diversity of our workforce is one of our greatest strengths. We promote a workplace that recognizes and celebrates our employees' unique abilities and encourages the full contributions of all. We have a number of tools and methodologies to support advancing equity, including a process devised by the Small Business Administration to administer a number of contracting programs targeted toward underserved communities. We will continue to promote, and create awareness of, an appreciation for diversity and inclusion. We recently established the SSA Agency Equity Team in accordance with Executive Order 13985 *Advancing Racial Equity and Support for Underserved Communities Through the Federal Government* to coordinate agency-wide and interagency efforts and discuss opportunities to ensure equity in our programs.

As part of our response to the pandemic, we are conducting community outreach to ensure that vulnerable populations and the most under-resourced communities, including homeless individuals, children with disabilities, and those with mental and intellectual disabilities can access our programs. We are implementing strategies to address the complex challenges facing underserved communities. We are working with the White House Office of Faith-Based and Neighborhood Partnerships, claimant advocates, and other organizations to ensure our services are accessible to those most in need. We created a vulnerable population liaison position in our field offices to complement the work of other regional employees in reaching out to community-based groups, asking them to help their constituents apply for benefits. We are conducting a targeted outreach mailer to encourage potentially eligible people to apply for SSI benefits. The initial targeted mailers went to 200,000 people; we scheduled an additional 1.2 million mailings beginning June 2021.

Our focal areas are:

➢ Stakeholder Engagement Processes;

➢ Benefits & Services – Implicit Bias Training for Agency Adjudicators;

➢ Pre-hearing Development Contacts & COVID Enhanced Outreach to reach the vulnerable population we serve, and better prepare them to participate in a hearing before an ALJ;

➢ Barrier Analysis Program to prevent any identified discrimination and eliminate identified barriers that impede free and open competition in the workplace and in leadership development programs;

- Distributional analysis of proposed policy changes to determine the possible impact on various populations, including different racial and ethnic groups;

- Improve Data Collection, Use & Sharing to expand our use of our own program data on race and ethnicity, publish these statistics and research as soon as possible, explore how to enhance the existing data through statistical techniques, match survey data from other agencies to our program participants to obtain race and ethnicity of samples, and expand the collection of race and ethnicity data on beneficiaries and applicants to obtain this information on the population of program participants;

- Conduct Market Research and Equity Based Guidelines for research grants and contracts to broaden the range of bidders; and

- Update sub-regulatory policy, notices, and other guidance documents on prohibiting discrimination based on gender identity and sexual orientation guidelines prohibiting discrimination.

SUMMARY: *MODERNIZING OUR INFORMATION TECHNOLOGY*

Information technology is fundamental to service. With the FY 2022 President's Budget, we will be in the fifth and final year of our 5-year *IT Modernization Plan (2020 Update)*. Our plan touches upon every facet of our IT programs and systems, including modernizing our underlying IT hardware, creating new and improved opportunities for the public to conduct business with us, and re-envisioning how we obtain and develop technology solutions to improve public service. Our IT efforts focus on developing additional online, remote service, and self-service options. Our plan is to implement enterprise-wide systems solutions that provide more service options that enable the public to easily interact with us across all service channels; allow our technicians to more efficiently complete their work; and ensure that the public receives relevant and timely information. As a result, we will be able to provide higher quality and more convenient, accessible, and efficient service to the millions of people who depend on us.

Our recent accomplishments include:

➤ Increased digital communication with beneficiaries and recipients as we updated the Customer Communications Management architecture to collect and react to customers' communications preferences for receiving information, either by mail or online;

➤ Improved delivery of Social Security notices online and expanded the types of customer notices delivered online;

➤ Rolled out MS Teams to 100 percent of our frontline employees to enable video hearings, representative payee monitoring, and limited Social Security number transactions. MS Teams allows us to conduct business with the public remotely;

➤ Expanded Enumeration Beyond Entry through a collaboration with the Department of Homeland Security to process requests for Social Security cards for legal permanent residents without having them visit their local field office;

➤ Redesigned the disability case processing system for hearings and appeals and improved analytical tools to provide decision support through predictive analytics;

➤ Improved our claims-taking process by adding key information—such as SSI payment history, earnings, and Medicare data—to one central location saving time for our employees so that they do not have to search for this information in multiple places;

➤ Implemented a mobile check-in process that allows visitors to check in for their scheduled field office appointment from their personal mobile device without the need to touch a kiosk. The new service also incorporates a COVID-19 screening page;

➤ Enhanced the Technician Experience Dashboard (TED) by improving the Customer Verification, Customer View, and Benefit Verification features used by our technicians to efficiently manage customer service requests;

➢ Updated about 10 million death records from FY 2018 through April 2021, improving the accuracy of our records and preventing improper payments; and

➢ Retired outdated applications, reports, and legacy databases.

The following are some of our IT modernization plans for FYs 2021 and 2022:

➢ Enhance automated service options through our National 800 Number Network's Interactive Voice Response system, such as providing benefit verification information and claim status updates, and allowing existing customers to update their records;

➢ Enhance our online claim status system by providing customers more detailed information, including what to expect next and an estimated claim processing time;

➢ Expand video service options for the public with MS Teams to enable our employees to communicate with the public remotely;

➢ Allow the public to schedule appointments online;

➢ Implement a new online service for adult disability beneficiaries to complete their medical CDR online without needing to visit a field office;

➢ Develop a new online service, the Online Social Security Number Application Process application, which will allow customers to start an application online for an SSN and minimize time at the field office;

➢ Improve the iAppeals online application process for people who are appealing our decision for non-medical issues such as overpayments or Medicare premium rates, including allowing beneficiaries and appointed representatives to view online previously submitted information;

➢ Continue expanding *my* Social Security user features for representative payees, such as the ability to verify benefits online;

➢ Expand the mobile check-in services available to field office visitors;

➢ Expand our online forms offering to continue to allow for a completely online form completion experience;

➢ Develop the Employer Wage Reporting Journey self-help service option for annual wage reporting with clear directions to make it easier for employers to submit their employees' wage information;

➢ Begin nationwide rollout of the modern HACPS that increases the accuracy and efficiency of disability case processing for our hearings offices and Appeals Council;

➢ Modernize our claims-taking process, improving the quality of the data we use to make decisions on eligibility and payment, and improving how we communicate with beneficiaries and recipients;

➢ Expand TED capabilities with the Change of Address, Direct Deposit, 1099 Replacement, Accommodations, Death Information Processing Systems Fraud, Medicare Replacement Card, and Appointments workflows for technicians; and

➢ Implement additional automation to eliminate manual workloads, increase accuracy, and reduce pending post-benefit award workloads.

SUMMARY: *STREAMLINING OUR POLICIES*

To ensure our programs meet the needs of our beneficiaries, we are continually improving our program and administrative policies. We are streamlining, simplifying, and advancing policy that is responsive to the needs of the public and can be easily and consistently applied by our dedicated employees.

We continue to develop and modify policies that minimize rework of benefit determinations and decisions. We also recognize the importance of removing unnecessary administrative burdens that create barriers to the efficient management and delivery of our programs.

We also continue to update our program policy and IT to keep pace with modern medicine and technological advancements in healthcare. In this way, we can increase automation, the quality of our determinations, and make optimal use of data, research, and statistical models for decision-making.

Disability Determination Policies

We are using policy tools to improve both quality and timeliness of disability decisions. For example, we are:

➢ Expanding our use of electronic medical evidence, which allows us to quickly obtain and review a claimant's medical information, and make a determination faster than ever before;

➢ Continuing to invest in efforts to develop modern occupational data; and

➢ Updating our Listing of Impairments, which describes disabling impairments for each major body system, to reflect advancements in medical understanding and clinical practice.

We are improving disability case processing through our enterprise-wide efforts to develop and implement modern, national claims processing systems that will seamlessly interact with each other from initial claim filing through a final appeal decision. We are working to bring decision support tools using Artificial Intelligence technologies, machine learning, and predictive analytics to many aspects of the disability determination process to improve decisional accuracy and policy compliance.

We continue to rollout DCPS2, our national disability case processing system, to the State DDSs, which will provide increased efficiencies and improved customer service through business process modernizations. In FY 2022, we will begin the nationwide rollout of the HACPS, which will increase the accuracy and efficiency of disability case processing for our hearings offices and Appeals Council. In addition, we are developing the Quality Review Case Processing System, which will allow our quality review component to move work more fluidly between DDS sites, improve timeliness, provide feedback on the quality of DDS decisions, and make recommendations for disability program improvement. We are working to integrate DCPS2, HACPS, and our Quality Review Case Processing System across our offices and State DDSs.

SUMMARY: *SAFEGUARDING OUR PROGRAMS*

Looking Toward the Future

The Administration remains committed to protecting and strengthening Social Security, including supporting the goals of addressing and improving the program's financial outlook over the long term, and of pursuing policies that improve equity and fairness.

Supporting Our Cost-Effective Program Integrity Work

SSA funding helps ensure eligible individuals receive the benefits to which they are entitled, and it safeguards the integrity of benefit programs to better serve recipients by confirming eligibility and preventing fraud. Dedicated program integrity funding helped us to eliminate the backlog of CDRs in FY 2018. In addition, program integrity funding allows us to conduct SSI redeterminations, expand the anti-fraud CDI program, and support special attorneys for fraud prosecutions. However, due to the COVID-19 pandemic, we did not maintain CDR currency in FY 2020 or FY 2021. During a critical time in the pandemic, we temporarily deferred certain workloads, such as medical CDRs, so that we could prioritize service to the public and maintain beneficiaries' payments and healthcare. In addition, we initially implemented a moratorium on scheduling in-person CEs to protect the safety of claimants and reduce the burden on the medical community.

We are working to restore our program integrity workloads to our pre-pandemic levels and anticipate eliminating the CDR backlog in 2023. We plan to process approximately 671,000 CDRs in FY 2022, which is about 175,000 more CDRs than we expect to handle in FY 2021. In addition, we plan to process about 2.9 million SSI redeterminations in FY 2022, which is 540,000 more than in FY 2021.

The proposed $1.7 billion in discretionary funding, including a $1.4 billion allocation adjustment, is essential in providing the resources needed to carry out associated activities that provide effective stewardship of program dollars. Access to approximately $20 billion in discretionary funding over 10 years, including approximately $17 billion in allocation adjustments, would produce $73 billion in gross Federal savings ($54 billion from allocation adjustments), with net deficit savings of approximately $37 billion in the 10-year window and additional savings in the outyears (the Budget excludes funding for the now withdrawn proposed rule regarding increasing the number and frequency of CDRs).

Estimated 10-Year Return on Investment* from FY 2022 Program Integrity Work	
CDRs budgeted	*$9 on average per dollar budgeted*
SSI Redeterminations budgeted	*$3 on average per dollar budgeted*
* Estimates reflect net Federal program savings over 10 years, including OASDI, SSI, Medicare, and Medicaid effects, where appropriate.	

Enhancing Our Fraud Prevention and Detection Activities

We jointly operate CDI units with the OIG, in collaboration with State DDSs and State and local law enforcement. The primary mission of these units is to investigate suspected fraud before we award benefits and during the CDR process. We plan to expand coverage of the CDI program nationally.

In FY 2020, we added CDI units in Nebraska, Nevada, New Hampshire, and Wyoming. We currently have 49 CDI units covering 44 States, the District of Columbia, Puerto Rico, Guam, American Samoa, Northern Mariana Islands, and the U.S. Virgin Islands. In FY 2021, we plan to expand CDI coverage to three States (i.e., Connecticut, Maine, and Vermont). In FY 2022, we plan to expand coverage to the three remaining States (i.e., Pennsylvania, Delaware, and Alaska) in order to achieve the goal of covering all U.S. States and territories by October 2022.

We continue to expand the use of data analytics and predictive modeling to refine our programmatic fraud prevention and detection activities. With these models, we can better identify suspicious and evolving patterns of activities in our workloads, allowing us to proactively detect and prevent fraud before issuing payments.

In FY 2022, we plan to enhance our Enterprise Fraud Risk Management program by conducting risk assessment activities for our enumeration workload and the debt management process.

Enhancing Our Payment Accuracy Efforts

As good stewards of taxpayer dollars, we must continue to improve our payment accuracy. Given the scope of our programs—with over $1 trillion dollars paid in combined Social Security and SSI benefits in FY 2020—even a small error rate causes substantial improper payment amounts.

This Budget supports streamlining and modernizing our debt management systems; improving our death data processing; and refining the way we collect and use data to improve payment accuracy. In addition, we continue developing, rolling out, and enhancing our case processing systems to improve the accuracy of our decisions.

Debt Management and Collection:

Currently, we use numerous systems to record, track, and manage our OASDI and SSI overpayments. We have begun a multi-year initiative to develop a streamlined, modernized enterprise Debt Management System to enable us to more effectively and efficiently post, track, collect, and report our overpayment activity. As part of this initiative, we recently implemented a new online payment solution that allows debtors, who do not receive Social Security or SSI benefits, the ability to repay overpayment debts, partially or in full. We also partnered with Department of Treasury (Treasury) to use the services of U.S. Bank, Treasury's financial agent, to implement a lockbox service to assist with our paper remittance processing efforts and streamline the process. Lockbox banking is a service provided by financial institutions to help receive and process customers' payments. Additionally, we published an interim final rule on the waiver of recovery of certain overpayment debts accruing during the COVID-19 pandemic

period between March and September 2020. We also completed a program debt write-off initiative to remove uncollectible debt.

Death Data Processing:

We are improving death data processing. Per the Consolidated Appropriations Act, 2021, we are required to share our full death file with the Department of Treasury's Do Not Pay for a three-year period no later than in December 2023. We collect data from a variety of sources so that we can administer our programs. We plan to continue making progress in centralizing our death inputs, improving the quality and processing of death data, and updating historical death records in our databases.

These changes will help improve payment accuracy and protect personally identifiable information.

Addressing the Climate Crisis

We take seriously the efforts being made to tackle the climate crisis. Reducing the amount of energy used and improving energy efficiency has positive impacts on both our economy and the environment. Our Energy Management Program strives to improve the energy and water efficiency of our facilities nationwide in support of the goals and objectives of the Energy Independence and Security Act of 2007, Energy Policy Act of 2005, and Executive Order 14008 *Tackling the Climate Crisis at Home and Abroad*. We continuously analyze and optimize our fleet of vehicles to decrease greenhouse gas emissions. We are reducing our real property footprint as we renovate existing buildings and renew lease agreements. For example at our headquarters complex in Baltimore, Maryland, we plan to move employees from costly leases onto the headquarters campus. We will continually assess our progress in protecting the environment, conserving our resources, and providing a safe and healthy workplace for all of our employees.

Investing in Cybersecurity to Safeguard our Data

The Budget will allow us to continue to mature our cybersecurity program. We are improving our threat intelligence and analysis capabilities to protect our online services and the data we hold from both fraud and inappropriate access. These ongoing cybersecurity efforts are critical in ensuring the integrity of our programs.

Our cybersecurity program aims to protect sensitive information for nearly every member of the public, while also making our Digital Identity processes both secure and intuitive for the public to use across all service channels. Maintaining the public's trust in our ability to protect sensitive data housed in our systems requires continuous monitoring of threats and continual improvement and strengthening of our cybersecurity program. We protect against cybersecurity incidents and risks through constant assessment of the threat landscape and use of advanced cybersecurity controls.